

2005 WHITE HOUSE CONFERENCE ON AGING PROPOSED RESOLUTION TO ENACT THE CONSUMER DIRECTED LONG TERM CARE REFORM ACT

PRIORITY ISSUE # 1:

PRESERVATION OF MEDICAID FOR THE TRULY NEEDY

Reform the Medicaid system to serve only the truly needy, with a wider range of long term care services.

BARRIERS

Currently state and federal Medicaid programs pay for 80% of all resident days in America's nursing homes. As the baby boom generation ages, the need for long term care services will increase dramatically. The federal and state governments, already struggling to keep up with Medicaid costs, will be unable to meet the increased need.

PROPOSED SOLUTION

Eliminate eligibility loopholes and the ability for consumers to artificially impoverish themselves to qualify for Medicaid. Refocus Medicaid as a government financed long-term care program for the genuinely needy. The outcome will be an incentive for middle-income consumers to take responsibility to privately pay for long-term care, and enable Medicaid to provide a wider range of better services to the truly needy.

PRIORITY ISSUE #2:

INCENTIVES FOR PRIVATE SAVINGS AND LONG TERM CARE INSURANCE

Reform long-term care policy to incentivize and increase the role of the individual and family to take personal responsibility to plan and save for long term care needs.

BARRIERS

As more Americans express a need and desire for assistance with long-term care services, many are turning to the continuum of options available for such assistance, including home health care, assisted living, and adult day services. But for many, the financial cost of such services becomes a barrier. This issue is most pressing for the nation's 78 million baby boomers, many of whom are not only faced with the current costs of caring for their parents and other loved ones, but are also beginning to plan for their own future long-term care needs. At the same time, our nation's public financing system is not structured to support the burgeoning need which will only grow in the years to come.

Even for those who may not need assistance with long-term care services presently, increasing the role of a public/private partnership could incentivize more Americans to prepare and plan for future needs and costs associated with long-term care.

PROPOSED SOLUTION

Congress should enact laws that encourage an increased private role in personal planning and payment for the costs of long-term care in this country. Such proposals might include, but not be limited to, tax incentives for the purchase of long-term care insurance.

PRIORITY ISSUE #3:

CONSUMER DIRECTED LONG TERM CARE CHOICE PLAN

Eliminate the current Medicaid policy and financing bias toward institutional care, promoting public support for the home and community-based services for which Americans have shown a preference.

BARRIERS

Largely due to advances in our nation's health care delivery system, Americans are living longer than ever before. However, with this increase in average life expectancy also comes an increased prevalence of disability and resulting need for assistance with activities of daily living. Studies have shown that people in this country desire to live in a non-institutional setting, a right underscored by the U.S. Supreme Court's *Olmstead* decision. The nation's existing institutional bias, in both policy and financing, does not support this preference for consumer-driven care.

PROPOSED SOLUTION

Congress should enact a consumer directed long-term care system that allows Medicaid consumers the choice to select a long-term care option and provider, be portable allowing consumers to change providers as desired, permit financial supplementation, and be adequately reimbursed.

The following organizations and individuals endorse this proposed resolution:

Sunrise Senior Living, Paul Klaassen, CEO and WHCOA Delegate

Assisted Living Federation of America, Rick Grimes, CEO and WHCOA Delegate

Jefferson Area Board on Aging, Gordon Walker, CEO and WHCOA Delegate

U.S. Chamber of Commerce

American Seniors Housing Association

Armed Forces Retirement Home

The Center for Long Term Care Reform, Inc.